

WATER AND SEWER FUND

Water and Sewer Revenues

	Actual FY 2001-02	Adopted FY 2002-03	Estimated FY 2002-03	Adopted FY 2003-04	Change
Investment & Rental Income					
Interest: Investments and Assess.	\$ 1,863,375	\$ 1,978,739	\$ 1,978,739	\$ 1,062,918	-46.28%
Rental Income	158,325	200,000	200,000	200,000	0.00%
Total Investment & Rental Income	\$ 2,021,700	\$ 2,178,739	\$ 2,178,739	\$ 1,262,918	-42.03%
Operating Revenue					
Water & Sewer Sales					
Water & Sewer Sales	\$ 38,178,481	\$ 40,767,159	\$ 38,080,413	\$ 47,355,747	16.16%
Contract Water Sales	1,773,520	116,000	63,733	9,310	-91.97%
Late Fees	65,173	60,000	61,636	61,800	3.00%
Industrial Monitoring	10,605	15,000	10,400	15,300	2.00%
Sewer Surcharge	169,782	142,000	144,928	146,300	3.03%
Suspended Solids	9,551	8,000	6,999	8,160	2.00%
Subtotal	\$ 40,207,112	\$ 41,108,159	\$ 38,368,109	\$ 47,596,617	15.78%
Other Operating Revenues					
Septic Tank Disposal	\$ 59,640	\$ 62,000	\$ 51,000	\$ 63,240	2.00%
Fire Protection (City)	217,710	170,000	228,979	173,400	2.00%
Fire Protection (County)	24,000	24,000	24,000	24,480	2.00%
Water Connection Fees	451,316	430,000	384,000	350,000	-18.60%
Sewer Connection Fees	304,398	275,000	260,000	230,000	-16.36%
Engineering Inspection Fee	257,705	265,000	212,000	200,000	-24.53%
Backflow Certification School	5,720	6,000	7,271	6,120	2.00%
Subtotal	\$ 1,320,489	\$ 1,232,000	\$ 1,167,250	\$ 1,047,240	-15.00%
Licenses and Permits					
Cross Connection Control Permit	\$ -	\$ 6,000	\$ -	\$ 6,120	2.00%
Water Permits	16,052	20,000	23,000	20,000	0.00%
Sewer Permits	16,800	18,000	30,000	30,000	66.67%
Subtotal	\$ 32,852	\$ 44,000	\$ 53,000	\$ 56,120	27.55%
Total Operating	\$ 41,560,453	\$ 42,384,159	\$ 39,588,359	\$ 48,699,977	14.90%
Intragovernmental Services					
Construction-City Forces	\$ 6,504	\$ 10,000	\$ -	\$ -	-100.00%
Engineering Fees	121,247	10,000	350,000	300,000	2900.00%
Total Intragovernmental Services	\$ 127,751	\$ 20,000	\$ 350,000	\$ 300,000	1400.00%
Other Revenues					
Sale of Property	\$ 215,249	\$ -	\$ -	\$ -	-
Miscellaneous	34,229	33,000	66,032	34,000	3.03%
Water Frontage Fees/Assessments	675,148	600,000	600,000	612,000	2.00%
Sewer Frontage Fees/Assessments	790,518	800,000	732,843	816,000	2.00%
Total Other Revenues	\$ 1,715,144	\$ 1,433,000	\$ 1,398,875	\$ 1,462,000	2.02%
Transfers from Other Funds					
Water Capital Facilities Fees	\$ 2,572,874	\$ 2,658,000	\$ 2,324,700	\$ 2,711,160	2.00%
Sewer Capital Facilities Fees	888,818	1,729,000	1,351,023	1,763,580	2.00%
Storm Water Management	429,510	566,991	455,881	566,991	0.00%
Transfer from Reserves	-	-	-	-	-
Total Transfers from Other Funds	\$ 3,891,202	\$ 4,953,991	\$ 4,131,604	\$ 5,041,731	1.77%
Appropriation from Fund Balance	\$ -	\$ 1,000,000	\$ 3,079,311	\$ -	-
TOTAL W & S FUND REVENUES	\$ 49,316,250	\$ 51,969,889	\$ 50,726,888	\$ 56,766,626	9.23%

WATER AND SEWER FUND REVENUES **REVENUE AND APPROPRIATION SUMMARY**

	Actual FY 2001-02	Adopted FY 2002-03	Estimated FY 2002-03	Adopted FY 2003-04	Change
REVENUES					
Investment and Rental Income	\$ 2,021,700	\$ 2,178,739	\$ 2,178,739	\$ 1,262,918	-42.03%
Water and Sewer Sales	40,207,112	41,108,159	38,368,109	47,596,617	15.78%
Other Operating Revenue	1,320,489	1,232,000	1,167,250	1,047,240	-15.00%
Licenses and Permits	32,852	44,000	53,000	56,120	27.55%
Intragovernmental Revenues	127,751	20,000	350,000	300,000	1400.00%
Frontage Fees/Assessments	1,465,666	1,400,000	1,332,843	1,428,000	2.00%
Other	249,478	33,000	66,032	34,000	3.03%
Transfer from Other Funds	3,891,202	4,953,991	4,131,604	5,041,731	1.77%
Subtotal Revenues	\$ 49,316,250	\$ 50,969,889	\$ 47,647,577	\$ 56,766,626	11.37%
Appropriations from Fund Balance	-	1,000,000	3,079,311	-	-100.00%
TOTAL REVENUES	\$ 49,316,250	\$ 51,969,889	\$ 50,726,888	\$ 56,766,626	9.23%
APPROPRIATIONS					
Personal Services	\$ 13,668,325	\$ 14,451,729	\$ 14,012,736	\$ 14,780,583	2.28%
Operating	14,717,708	18,195,671	17,669,363	18,684,352	2.69%
Capital Outlay	992,930	467,700	460,000	726,684	55.37%
Debt Service	16,900,684	17,453,239	17,183,239	17,299,605	-0.88%
Transfers to Other Funds	2,037,046	1,401,550	1,401,550	3,788,159	170.28%
Transfers to Fund Balance	999,557	-	-	1,487,243	-
TOTAL APPROPRIATIONS	\$ 49,316,250	\$ 51,969,889	\$ 50,726,888	\$ 56,766,626	9.23%
Department Appropriations					
Environmental Resources	\$ 15,441,230	\$ 17,131,902	\$ 16,624,996	\$ 17,339,761	1.21%
Public Works	8,144,525	8,916,162	8,545,684	9,331,670	4.66%
Finance	1,722,163	1,887,688	1,822,071	1,567,242	-16.98%
Subtotal	\$ 25,307,918	\$ 27,935,752	\$ 26,992,751	\$ 28,238,673	1.08%
Nondepartmental Appropriations	24,008,332	24,034,137	23,734,137	28,527,953	18.70%
Total Appropriations	\$ 49,316,250	\$ 51,969,889	\$ 50,726,888	\$ 56,766,626	9.23%

FUND DESCRIPTION

The Water and Sewer Fund accounts for revenues and expenses related to the provision of water and sewer services to the customers of the City and adjacent areas.

WATER AND SEWER FUND REVENUE DESCRIPTIONS

Investment and Rental Income

Interest: Investment - Investment income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Interest: Assessments - Interest is charged on water and sewer assessments.

Rental Income - The City owns property and houses, purchased for other purposes with Water and Sewer Fund monies, which are temporarily rented. This also includes revenue from cellular tower leases.

Operating Revenues

Water and Sewer Sales - Water and Sewer Sales includes both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities. A rate increase for sewer consumption and water and sewer service charges is included in the FY 2003-04 budget.

Contract Water Sales - The City has entered into agreements with several neighboring utility systems to provide water on a non-committed (emergency) basis.

Industrial Monitoring Charge - The Environmental Protection Agency requires the recovery of costs incurred in monitoring potentially high strength and toxic wastes. The rate schedule is based on the types of tests required. The base charge of \$55 per sample covers administration and equipment set-up costs.

Sewer Surcharges - Surcharges on high strength waste will remain at \$151.81 per 1,000 pounds of biochemical oxygen demand.

Suspended Solids - Charges on suspended solids will remain at \$64.37 per 1,000 pounds.

Other Operating Revenues

Septic Tank Disposal - Charges for truckloads of septic waste discharged at the North Durham Water Reclamation Facility will remain at \$40 per load.

Fire Protection (City Hydrants) - Monthly charges are made to the Fire Department for each hydrant on the City's water system.

Fire Protection (County Hydrants) - Monthly charges are made to the County for each hydrant on the City's water system outside the city limits.

Water and Sewer Line Connection Fees - Fees are charged at the time of initial connection onto water and sewer mains. This fee varies with the size of the connection.

Water Analysis Fee - This fee provides for the partial recovery of costs incurred in monitoring the water quality of new construction and existing facilities undergoing extensive plumbing repairs. Citizens could also request water quality analyses. Revenue ceased in FY 2001 because the City no longer tests all new homes and the charge for re-sampling has been eliminated.

Engineering Inspection Fees - The Water and Sewer Engineering division charges fees for water main, sewer main, and sewer outfall inspections.

Backflow Tester School - The Environmental Resources Department offers certification classes for backflow testers. An enrollment fee is charged for each participant in the school.

Licenses and Permits

Cross Connection Control (CCC) Permit - This was a new fee for FY 2000. It is \$32 per permit, and will partially recover the cost of the inspection of CCC devices.

Water and Sewer Permit Fees - These fees are paid by developers and the City for permits to extend water and sewer lines.

Intragovernmental Services

Construction - City Forces - This item represents charges made to bond and construction funds for water and sewer construction performed by City employees. This line item also includes overhead charges, equipment rental charges, and fringe benefits charges. These charges occur as a result of street maintenance work performed by City employees.

Engineering Fees - This item represents charges made to bond and construction funds for water and sewer engineering work performed by City employees.

Other Revenues

Sale of Land, Property and Equipment - This includes revenue from the sale of surplus land, equipment or property.

Miscellaneous - This item includes revenues from broken water meter charges, water cut-off penalties, and after-hours service charges.

Water and Sewer Frontage Fees/Assessments - Frontage Fees are applicable when property is developed and the developer or property owner has not installed a water and/or sewer line across the street frontage or street right-of-way abutting the project. This item reflects confirmations of water and sewer assessment rolls.

Transfers from Other Funds

Water and Sewer Capital Facilities Fund - The Capital Facility Fee was established in 1985 to recover the costs associated with providing water supply, water treatment, and wastewater treatment to new water and sewer service customers. This revenue is now shown as a transfer to the Water and Sewer Operating Fund to offset debt service cost.

Storm Water Management - This transfer covers the costs incurred by Finance - Customer Billing and Services for storm water billing expenditures and by Environmental Resources for one-half of the Household Hazardous Waste Disposal program.

Appropriation from Fund Balance - An appropriation from fund balance is used to balance the budget when expenditures are anticipated to exceed revenues in a given year.

WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2001-02	Adopted FY 2002-03	Estimated FY 2002-03	Adopted FY 2003-04	Change
Administration					
General Fund Services	\$ 2,863,235	\$ 3,920,476	\$ 3,920,476	\$ 4,406,000	12.38%
Insurance and Risk	986,465	1,126,422	1,126,422	1,240,000	10.08%
Accounts Written Off	205	-	-	-	-
Collection of Delinquent Accounts	188,500	189,000	189,000	208,000	10.05%
Drug Testing	22,772	25,000	25,000	25,000	0.00%
Bond Issue Costs	2,242	5,000	-	5,000	0.00%
Total Administration	\$ 4,063,419	\$ 5,265,898	\$ 5,260,898	\$ 5,884,000	11.74%
Miscellaneous					
Contingency	-	50,000	25,000	50,000	0.00%
Hardship Funds	106,402	50,000	50,000	50,000	0.00%
Fleet Replacement	222,474	-	-	175,946	-
Water/Sewer Customer Relations	10,105	15,000	15,000	15,000	0.00%
Total Miscellaneous	\$ 338,981	\$ 115,000	\$ 90,000	\$ 290,946	153.00%
Debt Service and Capital					
Debt Service	16,900,684	16,873,783	16,873,783	16,799,605	-0.44%
County Line Reimbursement	-	579,456	309,456	500,000	-13.71%
Capital Improvements Program	1,705,691	1,200,000	1,200,000	3,566,159	197.18%
Total Debt and Capital	\$ 18,606,375	\$ 18,653,239	\$ 18,383,239	\$ 20,865,764	11.86%
Appropriation to Fund Balance	\$ 999,557	\$ -	\$ -	\$ 1,487,243	-
TOTAL NON-DEPARTMENTAL	\$ 24,008,332	\$ 24,034,137	\$ 23,734,137	\$ 28,527,953	18.70%

WATER AND SEWER FUND NON-DEPARTMENTAL APPROPRIATIONS

Administration

General Fund Services - Funds are appropriated each year to reimburse the General Fund for services provided to the Water and Sewer Fund. Also included are costs for services provided by the Budget and Management Services Department.

Risk Retention Fund and General Insurance - Each fund pays a proportionate share of expected liability and workers' compensation claims obligations, as well as a share of general insurance, safety and health costs.

Accounts Written Off - Funds are appropriated to offset the amount of funds that the City is unable to collect. Since this cost is recorded as an offset against revenues, this line item will no longer be needed.

Collection of Delinquent Accounts - These funds are appropriated to cover the cost of collecting delinquent accounts.

Drug Testing - This account covers the cost of drug testing for all new Water and Sewer Fund employees, as required by City policy.

Bond Issuance Expense - Funds are appropriated to cover the cost of issuing Revenue Bonds and GO Bonds.

Miscellaneous

Contingency - These funds are expended upon City Council approval for various unanticipated costs that arise during the fiscal year which are unforeseen during the budget preparation process.

Hardship Funds - Funds are provided to pay water and sewer bills if a customer is found to be unable to pay under established guidelines.

Fleet Replacement - Costs associated with the replacement of the centralized fleet used by Water and Sewer Fund-related departments are recorded here.

Water and Sewer Customer Relations - Funds cover various customer relations activities such as printing customer handbooks, and documents for customer education and information.

Debt Service/Capital Improvements

Debt Service - Debt service for water and sewer projects is paid directly from the Water and Sewer Operating Fund.

County Line Reimbursement - The City reimburses the County for water and sewer line installations within designated areas of the County.

Capital Improvement Program Appropriations

Funds are appropriated to the CIP to address specific critical capital maintenance needs. Funds are included in FY2004 for repairs to the dams at Lake Michie (\$600,000) and Little River Lake (\$500,000), painting of the Ellis Road elevated storage tank (\$500,000), Two-Inch Water Main Replacement (\$200,000) and Sewer Pump Station Removal (\$200,000).